

VIA **AIR**
(SPECIFY AIR OR SEA POUCH)

DIPATCH NO. **ORPA-39149**

SECRET
CLASSIFICATION

PRIORITY

TO : Chief, IO
FROM : Chief of Station, ☐ **EYES ONLY**
SUBJECT: GENERAL: **INDORIC / Operational**
SPECIFIC: **R. MACHINE**

DATE: **27 June 58**

For ☐ personal attention. the attached is being transmitted herewith, per my recent cable.

Enclosures:

- 1 - 2 Memoranda, h/w.
- 2 - IDAMS, u.s.c.

27 June 1958

Distributions:

3 - IO, w/encls. ☐ **EYES ONLY**

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 382B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

CS COPY FILED IN **200-134-19/7**

FORM NO. 51-28A
MAR 1949

SECRET
CLASSIFICATION

DUPLICATE COPY
FOR CROSS FILING IN

ALL OF PA - 39149

SECRET

24 June 1958

MEMORANDUM for the Record

To : []
From : []
Subject: FJMACHINE

1. On June 23rd [] received an urgent call from Callender, asking for [] but agreeing to meet us without [] immediately to report a new development. When we met them, Callender and his Deputy said that the former had received a telephone call that morning from the Deputy Chief of FJMACHINE, who said he was passing through Paris and wished to see Callender. Callender went to the Hotel where he was staying and was informed by the Deputy Chief of FJMACHINE that he was here secretly and that he had been sent by Chief, ONIVORY and Chief, FJMACHINE. He asked to see Callender privately in the evening, presumably for dinner, and stated that he would come into the office the next morning (the 24th). He gave no indication to Callender that he had spoken to anyone in HUBARK and, particularly, to [] Callender felt that he might call []-- which, indeed, he did. Callender also expressed to us his own mystification at the melodramatic method of operation.

2. In the course of our very brief conversation in the car, Callender also said that IDEN A, after leaving TFFELING as a result of differences with IDEN B, has joined the FJMACHINE New York Office. Callender also said that Chief, FJMACHINE and Abramson had been trying to find a job for IDEN A ever since his departure from Munich.

3. I called [] on Monday evening to relay to him the gist of this conversation and to inform him that he might expect a call from the Deputy Chief, FJMACHINE. In the morning the Deputy Chief, FJMACHINE did call and arrange a meeting at his hotel at 12:45. Also, on the morning of the 24th, IDEN C, who is in Paris without the knowledge of Callender, telephoned and arrangements were made for a meeting on Friday the 27th, if necessary.

SECRET

SECRET

-2-

4. [] reported that he had received a telephone call from Callender's Deputy late last night, saying that the Deputy Chief, FJMACHERE had presented Callender with a letter stating that Callender was to be terminated on 30th June -- that he would have one week to evacuate his quarters and that Deputy Chief, FJMACHERE, the bearer of the letter, would take over his functions on the following morning, 24th June. [] were scheduled to have lunch with Callender and his Deputy today.

SECRET

SECRET

IDENTS:

A: Delgado

B: Hazelhof

C. John Hughes

OFPA- 3949

Dated- 27 June '58

SECRET

7

~~SECRET~~

SECRET

JUL 10 1953

JUL 10 1953

MEMORANDUM For the Record

Subject: FURNACE

1. On June 24th I received a call from the Deputy Chief of FURNACE. On the telephone he informed me that he urgently wished to see me. He said that his Chief had asked him to see me and also that [] had requested this. He asked if I had heard from [] about his arrival, and I said I had not. He said further that a member of the Executive Committee (IDEL 1) was either going to call me, or expected me to call him. I said that I knew nothing of this item. Shortly after receiving this call, and in the same morning, I received a call from IDEL 1. IDEL 1 on the telephone explained that the Deputy Chief of FURNACE was over here to relieve Callender of his office. He said that he did not personally intend to get involved in this personnel change and did not intend to see Callender, but that he would appreciate whatever help I could give in effecting a smooth transition. He said both the Chief of FURNACE and [] had asked him to call me. He asked whether I had heard from [] about the Deputy Chief's mission. I said that I had not and did not know more about the present situation than that I had just been told by him. I said that I would do whatever I could to facilitate whatever was involved.

2. I then let Callender's replacement for lunch. He explained to me that his instructions were as follows: He was to relieve Callender of his job as of 24th June and Callender was to be given three months' remuneration along with apartment rental paid to X June, but with the privilege of retaining it at his own expense, if he wished. He said, further, that Callender was being relieved of his job because of:

- A: His inability to get up in the morning.
- B: His being late for appointments.
- C: General office mismanagement, including particularly lateness in settling accounts.
- D: Extravagant expenditures.

He explained to me at his own request in some detail his own participation in these matters, including his investigation of Callender's office with the OLIVORY lawyer. He said that his own report had not been decisive in the relieving of Callender, as his chiefs, he believed, had made up their minds before the report was made. He said further that he had a meeting the night before with Callender, which he described as pleasant, and which he described in detail. The net result of this dinner was his request that I use "my influence" to make Callender be reasonable and to allow him to take over the office on June 25th. He said he had called Callender that day, June 24th, and Callender had refused to speak to him on the

~~SECRET~~

SECRET

SECRET

telephone. He said that he believed that Callender thought that both I and his friends in Washington would try to prevent his being fired, but that he could assure me that it could not be prevented.

3. I explained to the President the nature of the relationship of LOPIRIT with Callender and the fact that I had no authority over him or his office. I said further that I would be sent willing to speak to Callender and request his aid in effecting a smooth transition of authority, but as I did not have personal instructions from Headquarters to do so, I indicated the task as a personal matter at the specific request of himself and ITEM 1. Before I left, the President suggested that he would be willing to make a reasonable arrangement in relation to the apartment. I responded that I thought this seemed more reasonable and that certainly the three million dollar salary arrangement could be most reasonably interpreted to include housing allowance, as well as salary. He said he agreed and he had the authority to extend such allowances.

4. At the end of our meeting on June 19, 1954, the Chief of FUMACHINE called from FUMACHINE Headquarters. He explained that he had seen Callender, that he had seen ITEM 1 and that he was presently with me and that I was using my good offices at his request and at the request of ITEM 1 to effect an orderly transition of authority.

5. I then visited Callender and his Deputy and Drenschick, who were lunching together at a previously arranged restaurant in honor of [] because of his impending departure for FUMACHINE. I made the following points to Callender: That he was being discharged and that the matter was his personal thought or mine were about the manner in which this had been brought about. It was a fact which couldn't be changed. I advised him to accept it with dignity and to cooperate in the take-over by his replacement. He pointed out that it would be difficult to make it very dignified and that hardly any story would cover the sudden arrival of his replacement but that he would certainly give no discretion. He said he had refused to talk to his replacement on the telephone that morning until he had had a chance to talk to me. I then told him that his replacement would call him at his office about 5:00 o'clock and make arrangements for the take-over on June 25th. Callender's Deputy said that he intended to resign and that he had responded to Headquarters' request not to take precipitous action, but that he now intended to resign. I told Callender's Deputy that this was a matter entirely for his own conscience, and for that of anyone else in the office, and that if they intended to resign, they should do it rationally and should, as courteously as possible, state their reasons for resigning to the appropriate authorities in CIVORG and FUMACHINE.

6. I then returned to my office and in a telephone call to Callender's replacement, I told him that I thought it would be all right. He called me shortly thereafter to say he had spoken to Callender and that everything was all

SECRET

~~SECRET~~
SECRET

right and that he had arranged with Callender to go to his office on the morning of the 25th of June and that Callender seemed pleased with the offer of staying in the apartment. He said that he still had one problem, which was that Callender's Deputy refused to see him, and could I help him with this. He thought that Callender's Deputy did not understand the situation -- that he was a young man with a fine future and that he hoped I could do something about it. I said that I would try. I then had (C) the evening of June 24th call Callender to have Callender tell his Deputy to see the gentleman in question. Callender said that his Deputy had not refused to see the gentleman in question but had only refused to see him separately before the gentleman came to take over the office on the morning of June 25th.

7. I have had no further information on the situation but will report further when I do.

~~SECRET~~
SECRET

~~SECRET~~
SECRET

Sep. Cover Encls. to:

OFFA- 3949

Dated- 27 June 58

IDEN 1: John Hughes

~~SECRET~~
SECRET